

April 6, 2006

Dear Mr. Gruenberg,

I am writing today to ask that you and the FDIC board invest the time and energy to evaluate the full impact of a Bank of Wal-Mart. There is a point at which our principles of open & free markets intersect with core cultural values and our quality of life, and we must look very carefully at these points, as our decisions here can profoundly shape our lives. With this thought, please urge the board to attend the Wal-Mart hearings, and to look earnestly and critically at the testimony of the witnesses.

I work in the financial services industry, and I understand that corporations are not public servants. They serve their shareholders, first and foremost, and generally do for their communities only what they must to turn citizens into customers. This is an inevitable consequence of the corporate charter, and it often gives rise to the "dark side" of capitalism. Generally we accept this as a necessary evil, a reasonable price to pay for the freedoms that we love and the quality of life that we enjoy.

Wal-Mart, however, is a veritable poster child for unfortunate side-effects. Its history of exploiting vulnerabilities in the law to its own ends, its resistance to providing benefits to its employees, its employee intimidation tactics, its mean-spirited and aggressive business practices designed to sink local businesses... All of these raise serious questions about what sort of conduct we might expect from a Wal-Mart bank.

Will the Wal-Mart bank attempt systematically to eliminate competition by driving local institutions out of business? Will the Wal-Mart bank exploit its status to skirt regulatory requirements, or manipulate its regulatory reporting? Will it institute favoritism in its lending practices, designed to support friendly businesses and destroy unfriendly ones? Will it navigate loopholes to find "legal" ways of doing this? Will the Wal-Mart bank sap and starve local economies to feed its wealthy shareholders or friendly communities? How would the bank of Wal-Mart use its massive financial base to influence local politics or transform rich cultural communities into engines of consumption?

I do not know the answers to these questions, and no one does. But I believe, and I hope you do as well, that it's worthwhile to ask them. The history of Wal-Mart in our country is not a glorious one, and I do believe that its application to enter the banking business is one that should be reviewed with diligence, and unfortunately, some measure of skepticism.

Yours Sincerely,  
Brett Crocitto